

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

**Caption in Compliance with D.N.J. LBR 9004-1(b)**

Courtney R Shed, Esq. - 414442023  
GROSS POLOWY LLC  
Formed in the State of Delaware  
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Attorneys for Secured Creditor Nationstar  
Mortgage LLC, as servicing agent for Lakeview  
Loan Servicing, LLC

In Re:

CARL GAYNOR AKA CARL ELLIS  
GAYNOR, JR.

Debtor(s).

Case No.: 19-24097-mbk

Chapter: 13

Hearing Date: November 13, 2024

Judge: Michael B. Kaplan

**REPLY TO DEBTOR'S MOTION FOR CLARITY OF MORTGAGE  
AND HUD PARTIAL CLAIM**

Courtney R Shed, Esq., an attorney duly admitted to practice before the United States Bankruptcy Court for the District of New Jersey, states the following under the penalty of perjury:

1. I am an attorney at law duly licensed to practice before this court and an associate with the office of Gross Polowy LLC, attorneys for Nationstar Mortgage LLC, as servicing agent for Lakeview Loan Servicing, LLC ("Secured Creditor"), and as such, am fully familiar with the facts and circumstances of the present case.

2. Secured Creditor is the holder of a note secured by a mortgage on real property commonly known as 1109 Hope Road, Tinton Falls, NJ 07724 which property is owned by CARL GAYNOR AKA CARL ELLIS GAYNOR, JR. (the "Debtor").

3. Secured Creditor submits this Reply to the Debtor's Motion for Clarity of Mortgage and HUD Partial Claim (the "Motion").

4. On September 27, 2018, the Debtor and co-borrower Carmen Z Gaynor executed a Loan Modification Agreement with Lakeview Loan Servicing, LLC. The Loan Modification Agreement was recorded on October 30, 2018 as Instrument Number 2018106352.

5. On September 27, 2018, the Debtor and co-borrower Carmen Z Gaynor executed a Partial Claim Mortgage with Secretary of Housing and Urban Development ( " HUD") in the amount of \$82,624.53. The Partial Claim Mortgage was recorded on October 30, 2018 as Instrument Number 2018106353. A copy of the Recorded Partial Claim Mortgage is attached as **Exhibit "A."**

6. The Partial Claim Mortgage states in pertinent part that  
This Security Instrument ("Note") which provides for the full debt, if not paid earlier, due and payable on October 1st, 2048. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, advanced under Paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note.

7. Paragraph 8 of the Partial Claim Mortgage further states "upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument."

8. Upon information and belief, HUD has not filed a Satisfaction of Mortgage.

9. The Debtor also obtained a payoff request from HUD showing the payoff amount as of July 25, 2024 is \$82,624.53. A copy of the filed Payoff Request is attached as **"Exhibit B."**

10. Accordingly, the HUD Partial Claim Mortgage remains due and Debtor is responsible for paying the Partial Claim Mortgage in full at any sale closing, or at maturity.

11. Furthermore, Secured Creditor is entitled to full payment of its lien pursuant to an UpToDate payoff letter obtained from Secured Creditor, its agents or attorneys.

12. Secured Creditor therefore respectfully requests that the Debtor's Motion be denied in its entirety.

**WHEREFORE**, it is respectfully requested that this Court deny the Motion for Clarity of Mortgage and Hud Partial Claim, and for such other and further relief as to this Court deems just and equitable.

Dated: November 6, 2024

/s/ Courtney R Shed  
By: Courtney R Shed, Esq.

# **EXHIBIT A**



## Monmouth County Document Summary Sheet

MONMOUTH COUNTY CLERK PO BOX 1251 MARKET YARD FREEHOLD NJ 07728	Transaction Identification Number		
	Recorded Document to be Returned by Submitter to: RUTH RUHL, P.C. 12700 PARK CENTRAL DRIVE, SUITE 850 DALLAS, TX 75251		
<b>Official Use Only</b>  CHRISTINE GIORDANO HANLON COUNTY CLERK MONMOUTH COUNTY, NJ  INSTRUMENT NUMBER [REDACTED]  RECORDED ON Oct 30, 2018 12:01:29 PM BOOK:OR-9318 PAGE:8236 Total Pages: 7  COUNTY RECORDING FEES \$70.00 EFILE CONVENIENCE FEE \$2.00 TOTAL PAID \$72.00	Submission Date (mm/dd/yyyy)		10/29/2018
	No. of Pages (excluding Summary Sheet)		5
	Recording Fee (excluding transfer tax) (Convenience Fee of \$2.00 included)		\$72.00
	Realty Transfer Tax		\$0.00
	Total Amount		\$72.00
	Document Type	MORTGAGE	
	Electronic Recordation Level L2 - Level 2 (With Images)		
	Municipal Codes BINTON FALLS 4901		
	Bar Code(s)  [REDACTED]		

### Additional Information (Official Use Only)

**\* DO NOT REMOVE THIS PAGE.**  
**COVER SHEET [DOCUMENT SUMMARY FORM] IS PART OF MONMOUTH COUNTY FILING RECORD.**  
**RETAIN THIS PAGE FOR FUTURE REFERENCE.**


**Monmouth County Document Summary Sheet**

<b>MORTGAGE</b>	<b>Type</b>	<b>MORTGAGE</b>				
	<b>Consideration</b>	\$82,624.53				
	<b>Submitted By</b>	RUTH RUHL, P.C. (CSC/INGEO SYSTEMS INC)				
	<b>Document Date</b>	10/10/2018				
	<b>Reference Info</b>					
	<b>Book ID</b>	<b>Book</b>	<b>Beginning Page</b>	<b>Instrument No.</b>	<b>Recorded/File Date</b>	
	<b>MORTGAGOR</b>	<b>Name</b>			<b>Address</b>	
		CARL GAYNOR				
		CARMEN Z GAYNOR				
	<b>MORTGAGEE</b>	<b>Name</b>			<b>Address</b>	
		SECRETARY OF HOUSING URBAN DEVELOPMENT				
	<b>Parcel Info</b>					
	<b>Property Type</b>	<b>Tax Dist.</b>	<b>Block</b>	<b>Lot</b>	<b>Qualifier</b>	<b>Municipality</b>

**\* DO NOT REMOVE THIS PAGE.**

**COVER SHEET [DOCUMENT SUMMARY FORM] IS PART OF MONMOUTH COUNTY FILING RECORD.  
RETAIN THIS PAGE FOR FUTURE REFERENCE.**

**After Recording Return To:**

RUTH RUHL, P.C.

Recording Department

12700 Park Central Drive, Suite 850

Dallas, Texas 75251

[Space Above This Line For Recording Data]

Loan No.: [REDACTED]

FHA Case No.: [REDACTED]

## PARTIAL CLAIM MORTGAGE

THIS SUBORDINATE MORTGAGE ("Security Instrument") is given on September 20th, 2018 .  
The Mortgagor is Carmen Z Gaynor and Carl Gaynor, husband and wife, whose address is 1109 Hope Rd, Tinton Falls, New Jersey 07724

("Borrower").

This Security Instrument is given to the Secretary of Housing and Urban Development, and whose principal office and mailing address is 451 Seventh Street, SW, Washington, DC 20410 ("Lender"). Borrower owes Lender the principal sum of eighty two thousand six hundred twenty four and 53/100

Dollars (U.S. \$ 82,624.53 ). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for the full debt, if not paid earlier, due and payable on October 1st, 2048

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, advanced under Paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. The maximum principal amount secured by this Security Instrument is \$ 82,624.53 . For these purposes, Borrower does hereby mortgage, warrant, grant and convey to the Lender the following described property located in Monmouth County, New Jersey:

First Lien Mortgage Information: Dated July 17th, 2015 and recorded in Book OR-9124, Page 2525, Instrument No. 2015068658.

Loan No.: [REDACTED]

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

which has the address of 1109 Hope Rd, Tinton Falls, New Jersey 07724

("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Borrower and Lender covenant and agree as follows:

UNIFORM COVENANTS.

- 1. Payment of Principal.** Borrower shall pay when due the principal of the debt evidenced by the Note.
- 2. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.
- 3. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the term of this Security Instrument or the Note without that Borrower's consent.



Loan No.: [REDACTED]

**4. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to: **Department of Housing and Urban Development, Attention: Single Family Notes Branch, 451 Seventh Street, SW, Washington, DC 20410** or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

**5. Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

**6. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

**7. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property; (e) the Borrower's right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure; and (f) any other disclosure required under the Fair Foreclosure Act, codified at §§ 2A:50-53 et seq. of the New Jersey Statutes, or other Applicable Law. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 7, including, but not limited to, attorneys' fees and costs of title evidence permitted by Rules of Court.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under Paragraph 4 of the Subordinate Note, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. § 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this Paragraph or Applicable Law.

**8. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

**9. No Claim of Credit for Taxes.** Borrower will not make deduction from or claim credit on the principal or interest secured by this Security Instrument by reason of any governmental taxes, assessments or charges. Borrower will not claim any deduction from the taxable value of the Property by reason of this Security Instrument.

Loan No.: [REDACTED]

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

9/27/18  
Date

Carmen Z. Gaynor (Seal)  
Carmen Z Gaynor -Borrower

9/27/18  
Date

Carl Gaynor (Seal)  
Carl Gaynor, signing solely to acknowledge -Borrower  
this Agreement, but not to incur any personal  
liability for the debt

Date

(Seal)  
-Borrower

Date

(Seal)  
-Borrower

[Space Below This Line For Acknowledgment]

State of New Jersey §  
§ ss:  
County of Monmouth §

On this 27th September, 2018, before me, the subscriber, personally appeared  
Carmen Z Gaynor and Carl Gaynor

the person(s) named in and who executed the within instrument, and thereupon acknowledged that he/she/they signed, sealed and delivered the same as his/her/their act and deed, for the purposes therein expressed.

Ana Elizabeth Quinn  
Notary Public

ANA ELIZABETH QUINN  
NOTARY PUBLIC OF NEW JERSEY  
Type or Print Name of Notary My Commission Expires August 16, 2023

My Commission Expires: 08-16-2023

## EXHIBIT "A"

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Tinton Falls, in the County of Monmouth, State of NJ:

BEING known and designated as Lot No. 18A, in Block 117, as shown on "Amended Map of Final Plat of Major Sub-division of Oakdale Homes, at New Shrewsbury, Hope Road, Borough of New Shrewsbury, Monmouth County, New Jersey," dated August 27, 1973, Rev. Scale 1"=60' prepared by Harold J. Seldin, P.E. and L.S. and filed in the Monmouth County Clerk's Office October 5, 1973 in Case 124 Sheet 23, and being more particularly described as follows:

BEGINNING at a point in the Southerly line of Oakdale Drive which point, is distant 127.00 feet on a course of North 63 degrees 54 minutes West from the intersection of the Southerly line of Oakdale Drive, extended with the Westerly line of Hope Road extended and from thence running;

1. Along the said Southerly line of Oakdale Drive, South 63 degrees 54 minutes East, 102.00 feet to a point; thence
2. Along the arc of a curve bearing to the right, having a radius of 25.00 feet, a distance of 39.27 feet to a point in the Westerly line of Hope Road; thence
3. Along the same South 26 degrees 06 minutes West 175.00 feet to a point; thence
4. North 63 degrees 54 minutes West 127.00 feet to a point; thence
5. North 26 degrees 06 minutes East, 200.00 feet to the point and place of BEGINNING.

THE above description is drawn in accordance with a survey prepared by Charles Surmonte, P.E. & P.L.S., dated July 2, 2015.

Note for Information Only:

Also known as Lot(s) 18.01 Block 117, on the official tax map of Borough of Tinton Falls, County of Monmouth, in the State of New Jersey, also known as 1109 Hope Road.

# **EXHIBIT B**

**Subject:** Partial Claim Payoff from HUD  
**From:** noreply@hudnsc.org  
**Date:** 7/15/24, 09:30  
**To:** c.gaynor@hotmail.com



**Partial Claim Payoff from HUD**

July 15, 2024 @ 9:30 AM EDT

Letterhead Logo

# Your Payoff Request

ISN Corporation recently received a Partial Claim lien payoff request for the below referenced case number, which is insured by the Federal Housing Administration (FHA). ISN Corporation is responsible for servicing FHA's Single-Family Secretary-held portfolio on behalf of the U.S. Department of Housing and Urban Development (HUD), including Partial Claim subordinate liens.

The payoff amount below is the total outstanding balance for all partial claims advanced by HUD as of **Monday, July 15, 2024**. This amount is valid for 90 days from the date of this letter unless a new partial claim is paid. HUD Partial Claim Notes are non-interest bearing, so there is no per diem calculation. Payment must be paid in one lump sum. If payment is received for any amount other than

the total payoff amount below, the processing and/or release of the lien may be delayed. Access the [SMART Integrated Portal](#) at <https://sip.hudnsc.org> for details about your claim(s).

**FHA Case No.:** [REDACTED]

**TOTAL PAYOFF AMOUNT: \$82,624.53**

[View Borrower and Property Information](#)

**Instructions for making a payment can be found at:** [SFH: National Servicing Center | HUD.gov/ U.S. Department of Housing and Urban Development \(HUD\)](#)

[https://www.hud.gov/program\\_offices/housing/sfh/nsc/fmaddr](https://www.hud.gov/program_offices/housing/sfh/nsc/fmaddr)

For further assistance, please contact ISN Corporation at 1-833-SEC-HELD (732-4353) Monday thru Friday, from 7:00 a.m. to 7:00 p.m. Central Time.

**Thank you,**

**ISN Corporation, on behalf of HUD's National Servicing Center**

[View Payoff Instructions](#)

[View Payoff Information](#)

*For your convenience, the links for the above buttons are also provided below:*

*View Payoff Instructions: [https://www.hud.gov/program\\_offices/housing/sfh/nsc/fmaddr](https://www.hud.gov/program_offices/housing/sfh/nsc/fmaddr)*

*View Payoff Information: [https://sip.hudnsc.org/validate\\_email.cfm?uid=21DC6895 A740 2638 6ACC55F0F5B254B8](https://sip.hudnsc.org/validate_email.cfm?uid=21DC6895 A740 2638 6ACC55F0F5B254B8)*

## Didn't request this Payoff?

Email hacking and fraud are on the rise to fraudulently misdirect

funds for real estate transactions. If you did not request this email, please forward a copy of this email to [security@hudnsc.org](mailto:security@hudnsc.org).

**DO NOT SEND** payments through wires, Zelle, or gift-cards.

Instructions for submitting a payment will **NEVER** be sent via email, text messages, phone calls, or through any website other than **hud.gov**.

*This message is intended for designated recipients only. If you have received this message in error, please delete the original and all copies and notify the sender immediately. Federal law prohibits the disclosure or other use of this information.*